

RAJASTHAN HIGH COURT

सत्यमेव जयते

HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

D.B. Civil Special Appeal (Writ) No. 204/2026

In

S.B. Civil Writ Petition No. 13951/2024

1.

Indian Oil Corporation Limited, Through Its State Head, Having Its Office At Jaipur Regional Office, Indian Oil Bhawan, Ashok Chowk, Near Radha Swamy Satsang Bhavan, Adarsh Nagar, Jaipur-302004
2.

Indian Oil Corporation Limited, Through Its Managing Director, G-9, Aliyavar Jung Marg, Bandra East, Mumbai 400051
3.

Divisional Head, Indian Oil Corporation Limited, Having Its Office At Ajmer Divisional Office, Plot No. SP 42, MTC Industrial Area, Daurai, Ajmer- 305003

----Appellants

Versus

1.

Suma Minerals Private Limited, Having Its Office At Khasra No. 704, Opposite Hotel Kuldeep, Ajmer Road, Madanganj. Kishangarh, Rajasthan-305801, Through Its Authorized Signatory.
2.

The District Collector And District Magistrate, Ajmer
3.

The Sub Divisional Magistrate, Ajmer Road, Kishangarh
4.

The Chief Controller, Petroleum And Explosives Safety Organisation, Having Its Office At A Block CGO Complex, Fifth Floor Seminary Hills, Nagpur, Maharashtra- 440006
5.

The Deputy Chief Controller Of Explosives, Petroleum And Explosives Safety Organization, having Its Office at Amrapali Circle, Near Power House, Vaishali Nagar, Jaipur 302021
6.

Joint Chief Controller Of Explosives, Petroleum And Explosives Safety Organization, Having Its Office At Hall Nos. 502 And 507, Level- 5, Block-B, Old CGO Complex, NH-IV, Faridabad, Haryana-121001

----Respondents

For Appellant(s)

:

Mr. A.K. Sharma, Sr. Adv. assisted by
Mr. Vikram Singh
Mr. Madhav Dadich
Ms. Annika Anna

For Respondent(s)

:

Ms. Shikha Sharma, AAAG
Mr. Ashwani Kumar Chobisa with
Mr. Priyansha Gupta
Mr. Abhinav Sharma
Mr. Pawan Pareek

HON'BLE THE ACTING CHIEF JUSTICE MR. SANJEEV PRAKASH SHARMA
HON'BLE MRS. JUSTICE SHUBHA MEHTA
Order

20/04/2026

1. This is an appeal preferred against the order passed by the learned Single Judge dated 23.02.2026, whereby the learned Single Judge has directed the IOCL to take apt steps to remove the petroleum products lying at the site in dispute and the Petroleum And Explosives Safety Organization (PESO) shall provide all necessary assistance required for the removal of the said petroleum products.

2. Learned counsel appearing for PESO has invited our attention to the provisions of Rule 152 and 153 of the Petroleum Rules, 2002 (for short, "Rules of 2002") which provide as under:

"152. Suspension and cancellation of licence. –(1) Every licence granted under these rules shall. -

- (i) stand cancelled, if the licensee ceases to have any right to the site for storing petroleum;*
- (ii) stand cancelled, if the no-objection certificate is cancelled by the District Authority or the State Government in accordance with sub-rule (1) of rule 150;*
- (iii) be liable to be suspended or cancelled by an order of the licensing authority for any contravention of the Act or of any rule thereunder or of any condition contained in such licence, or by order of the Central Government, if it is satisfied that there are sufficient ground for doing so:*
Provided that -

- (a) before suspending or cancelling a licence under this rule, the holder of the licence shall be given an opportunity of being heard;*
- (b) the maximum period of suspension shall not exceed three months; and*
- (c) the suspension of a licence shall not debar the holder of the licence from applying for its renewal in accordance with the provisions of rule 148.*

(2) Notwithstanding anything contained in sub-rule (1), an opportunity of being heard may not be given to the holder of a licence before his licence is suspended or cancelled in cases -

- (a) where the licence is suspended by a licensing authority as an interim measure for violation of any of the provisions of the Act or these rules, or of any conditions contained in such licence and in his opinion such violation is likely to cause imminent danger to the public:*

Provided that where a licence is so suspended, the licensing authority shall give the holder of the licence an

opportunity of being heard before the order of suspension is confirmed; or

(b) Where the licence is suspended or cancelled by the Central Government, if that Government considers that in the public interest or in the interest of the security of the State, such opportunity should not be given.

[(3) A licensing authority or the Central Government suspending or cancelling a licence under sub-rule (1), shall record its reason for so doing in writing and shall furnish to the licensee copy of the order cancelling the licence].

153. Procedure on expiration, suspension or cancellation of licence. – *(1) A person licensed to store petroleum shall, on the expiration, suspension or cancellation of his licence, forthwith give notice to the District Authority of the class and quantity of petroleum in his possession and shall comply with any directions which the District Authority may, on the recommendation of the Chief Controller, give in regard to its disposal.*

(2) The District Authority may grant for a term not exceeding three months from the date of expiration, suspension or cancellation, as the case may be, a temporary licence for the storage of petroleum actually held at the time of the issue of the temporary licence:

Provided that where the expired, suspended or cancelled licence was granted by an authority, other than the District Authority, no temporary licence shall be granted without the previous consent of such other authority.

(3) The fee chargeable on a licence granted under sub-rule (2) shall bear the same proportion to the fee charged on the expired or cancelled or suspended licence as the period covered by the temporary licence bears to a full year."

3. Learned counsel appearing for the IOCL states that the licence was given to the IOCL but the petitioner is the dealer of the IOCL. He submits that the licence was cancelled at the instance of the writ petitioner and therefore, it is the duty of the concerned dealer to get the petroleum products removed from the site.

4. A perusal of the provisions of Rule 152 and 153 reflects that while the PESO is the licensing authority and licence has been issued to the IOCL, if the licence is cancelled, a notice is required to be given to the District Authority who could on the recommendations of the Chief Controller take steps for disposal of the stored petroleum.

5. The 'Controller' has been defined under Sub-rule (v) of Rule 2 of the Rules of 2002 and as per Sub-rule (x) of Rule 2 the 'District Authority' means, as under:-

"(v) "Controller" means Controller of Explosives and includes Joint Chief Controller of Explosives, Deputy Chief Controller of Explosives and Deputy Controller of Explosives;

(x) "District Authority" means-

(a) in towns having a Commissioner of Police, the Commissioner or a Deputy Commissioner of Police;

(b) in any other place, the District Magistrate;"

6. Thus, the provisions comprehensively deal with the situation.

7. We however notice that the main writ petition is a dispute between the writ petitioner and IOCL with regard to vacating of the site at and the prayers therein are as under:

"It is, therefore, respectfully prayed that this writ petition may kindly be allowed and by an appropriate writ, order or direction by calling the record of the case:-

*(i) The respondent corporation may be directed to vacate the land in question forthwith and hand over peaceful possession of the land being **-piece or parcel of land 60 X 150 ft. =9000 Sq. Ft. situated at Ajmer Road, Madanganj Kishangarh, Distt. Ajmer** to petitioner.*

(ii) The respondent corporation may be directed to clear dues of the petitioner in form of lease and dealership charges amongst other with interest of 18% per annum.

(iii) That the respondent corporation may be saddled with penalty for illegally possessing the land in question and thus, be directed to not only make payment of the rent till the date of handing over the possession

(iv) That the respondent corporation may be directed to refund the amount of the unsold stock of petroleum products lying at the petrol pump premises.

(v) That the costs of the writ petition be also awarded in favour of the petitioner.

(vi) That any other appropriate writ or order or direction which is favorable to the petitioner in the facts and circumstances may kindly be granted to the petitioner.

8. Keeping in view thereto, we find that the directions issued by the learned Single Judge at this stage would amount to directing of removal and vacating of the site which could not have been done at this stage.

9. No prayer is made with regard to aforesaid aspects in the writ petition.

10. In view thereto, we allow this appeal and set aside the order passed by the learned Single Judge and request the learned Single Judge to decide the main writ petition itself, if ultimately the Court passes an order in favour of the petitioner, the subsequent steps will have to be taken by the licensing authority by taking appropriate directions of the District Authority through the Controller.

11. With the aforesaid observations, the special appeal is allowed.

12. All pending applications also stand disposed of.

(SHUBHA MEHTA),J

(SANJEEV PRAKASH SHARMA),ACTING CJ